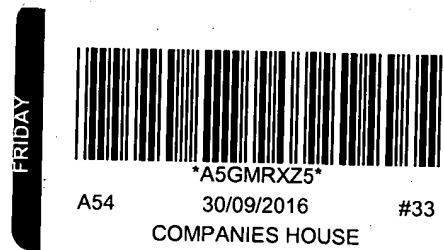


Registered No. OC385142

52 ALDERLEY ROAD LLP

Report and Financial Statements

31 December 2015



# 52 Alderley Road LLP

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Registered No. OC385142

## **DESIGNATED MEMBERS**

HCA International Limited  
Mo Saeed Limited

## **AUDITORS**

Ernst & Young LLP  
Apex Plaza  
Forbury Road  
Reading  
RG1 1YE

## **BANKERS**

Barclays Bank PLC  
St John's Wood & Swiss Cottage Branch  
P.O. Box 2764  
London  
NW3 6JD

## **REGISTERED OFFICE**

242 Marylebone Road  
London  
NW1 6JL

# 52 Alderley Road LLP

Registered No. OC385142

## THE MEMBERS' REPORT

The members present their report and accounts for the year ended 31 December 2015.

### PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The principal activity of 52 Alderley Road LLP is to provide outpatient diagnostic treatment services in the Greater Manchester area.

The LLP transitioned from UK GAAP to FRS 102 (The Financial Reporting Standard applicable in the UK and Republic of Ireland) as at 1 January 2014. Following rigorous analysis by management of the differences in GAAP and a review of all operations within the LLP, no variances in GAAP were identified which impact the statement of financial position or statement of comprehensive income. Further detail is presented in note 19.

	2015 £000	2014 £000	Change %
Revenue	4,527	1,045	333%
Operating loss	(2,435)	(2,689)	9.4%
Day cases	1,279	201	536%
Outpatient visits	6,407	1,403	357%
Outpatient surgery	1,279	202	533%
Average number of employees	41	44	(6.8%)

2015 saw an improved performance for the LLP with revenue increasing 333% on 2014.

Operating margins have also improved by 9.4% on 2014.

The partnership commenced trade in 2013 and remains in the growth phase. A separate going concern review conducted by the management has concluded that this business is a going concern with great potential. Given that the partnership is loss making and in its early years of trade a letter of support has been obtained to ensure that its parent company will continue to support the company.

### DESIGNATED MEMBERS

HCA International Limited  
Mo Saeed Limited

### POLICY WITH RESPECT TO MEMBERS' DRAWINGS AND SUBSCRIPTIONS AND REPAYMENT OF MEMBERS' CAPITAL

Members are permitted to make drawings from the available cash reserves as long as there is sufficient cash at bank to meet the working capital needs of the LLP for at least a further sixty days. The drawings are determined by the proportionate amount of the capital contribution made by the members.

New members are required to subscribe a minimum level of capital. Members may increase the amount of their capital contribution if members so agree by members' consent. On retirement, the balance on a member's Capital Account is repaid.

In the event of winding up, other reserves along with members' capital rank after unsecured creditors.

### FUTURE DEVELOPMENTS

There are no plans to change the activities of the partnership.

## 52 Alderley Road LLP

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Registered No. OC385142

### THE MEMBERS' REPORT (CONTINUED)

#### EVENTS AFTER THE END OF THE REPORTING PERIOD

No significant events affecting the partnership have occurred since the end of the reporting period.

#### GOING CONCERN

No material uncertainties that cast significant doubt about the ability of the partnership to continue as a going concern have been identified by the members. Given that the partnership is loss making and in its early years of trade a letter of support has been obtained to ensure that its parent company will continue to support the partnership. On the basis of their assessment of the partnership's financial position, the partnership's members have a reasonable expectation that the partnership will be able to continue in operational existence for the foreseeable future. Therefore they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

#### PRINCIPAL RISKS AND UNCERTAINTIES

##### *Legal risk*

The principal risk arising from the LLP's business is the uncertainty of medical indemnities. However, the LLP's exposure in this area is borne by HCA International Limited and is mitigated by insurance and reviewed independently by external professional actuaries.

##### *Liquidity risk*

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The LLP aims to mitigate liquidity risk by managing cash generation by its operations and applying cash collection targets. In addition to this a letter of support has been obtained to ensure that its parent company will continue to support the company.

#### DISCLOSURE OF INFORMATION TO THE AUDITORS

So far as each person who was a member at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow members and the LLP's auditor, each member has taken all the steps that they are obliged to take as a member in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

#### AUDITORS

Ernst & Young LLP will continue as auditor of the LLP.

Approved by the members on 29 September 2016 and signed on their behalf by:



T F Pritchard

For and on behalf of HCA International Limited



Mo Saeed Limited

MEMBERS' RESPONSIBILITIES STATEMENT

The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 requires the members to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the LLP and of the profit or loss of the LLP for that year.

The members have elected to prepare financial statements for the LLP in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

In preparing those financial statements, the members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the LLP will continue in business.

Under the Limited Liability Partnerships Regulations 2008, the members are responsible for keeping adequate accounting records, which disclose with reasonable accuracy at any time the financial position of the LLP and enable them to ensure that the financial statements comply with the Limited Liability Partnership Regulations. They are also responsible for safeguarding the assets of the LLP and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF 52 ALDERLEY ROAD LIMITED LIABILITY PARTNERSHIP ('LLP')

We have audited the financial statements of 52 Alderley Road LLP for the year ended 31 December 2015 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Reconciliation of Members' Interests, the Statement of Cash Flows and the related notes 1 to 20. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland).

This report is made solely to the members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008. Our audit work has been undertaken so that we might state to the members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of members and auditors**

As explained more fully in the Members' Responsibilities Statement set out on page 4, the members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the limited liability partnership's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the designated members; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Members report and financial statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion**

In our opinion the financial statements:

- give a true and fair view of the state of the Limited Liability Partnership's affairs as at 31 December 2015 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Members' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF 52 ALDERLEY ROAD  
LIMITED LIABILITY PARTNERSHIP ('LLP') (CONTINUED)

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 as applied to limited liability partnerships requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

*Ernst & Young LLP*

Ian Oliver (Senior statutory auditor)  
for and on behalf of Ernst & Young LLP, Statutory Auditor  
Reading

30 September 2016

## 52 Alderley Road LLP

### STATEMENT OF COMPREHENSIVE INCOME for the year ended 31 December 2015

		2015	2014
	<i>Notes</i>	<i>£000</i>	<i>£000</i>
<b>REVENUE</b>	2	4,527	1,045
Administrative expenses		<u>(6,962)</u>	<u>(3,734)</u>
<b>OPERATING LOSS</b>	3	(2,435)	(2,689)
Interest payable	6	(134)	(62)
<b>LOSS FOR THE FINANCIAL PERIOD BEFORE MEMBERS' REMUNERATION AND PROFIT SHARES</b>		<u>(2,569)</u>	<u>(2,751)</u>
Members' remuneration charged as an expense		-	-
<b>LOSS FOR THE FINANCIAL PERIOD AVAILABLE FOR DISCRETIONARY DIVISION AMONG MEMBERS</b>		<u>(2,569)</u>	<u>(2,751)</u>
<b>OTHER COMPREHENSIVE INCOME</b>		-	-
<b>TOTAL COMPREHENSIVE LOSS FOR THE YEAR</b>		<u><u>(2,569)</u></u>	<u><u>(2,751)</u></u>

All activities relate to continuing operations.



52 Alderley Road LLP

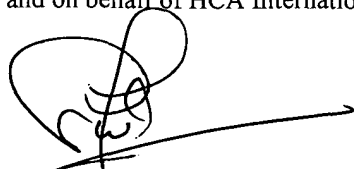
STATEMENT OF FINANCIAL POSITION  
at 31 December 2015

	<i>Notes</i>	<i>2015</i> £000	<i>2014</i> £000
<b>FIXED ASSETS</b>			
Tangible fixed assets	7	8,802	9,863
<b>CURRENT ASSETS</b>			
Inventory	8	354	183
Trade and other receivables	9	1,078	770
Cash at bank and in hand		362	362
		1,794	1,315
<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>			
Trade and other payables	10	(6,968)	(4,645)
<b>NET CURRENT LIABILITIES</b>			
		(5,174)	(3,330)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			
		3,628	6,533
<b>CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR</b>			
	11	(2,523)	(2,859)
<b>NET ASSETS</b>			
		1,105	3,674
<b>REPRESENTED BY:</b>			
Member's capital		6,727	6,727
Other reserves		(5,622)	(3,053)
<b>TOTAL MEMBERS' INTERESTS</b>			
		1,105	3,674

These financial statements were approved by the members on 29 September 2016 and are signed on their behalf by:



T F Pritchard  
For and on behalf of HCA International Limited



Mo Saeed Limited

## 52 Alderley Road LLP

### RECONCILIATION OF MEMBERS' INTERESTS

for the year ended 31 December 2015

	<i>Members' capital</i> £000	<i>Other reserves</i> £000	<i>Members' interests total</i> £000	<i>Loans and other debts due to members less any amounts due from members in debtors</i> £000	<i>Total</i> £000
Amounts due to member				6,636	
Members' interests at 1 January 2015	6,727	(3,053)	3,674	6,636	10,310
Movement in loans and other debts due to member	-	-	-	1,879	1,879
Loss for the year available for division among members	-	(2,569)	(2,569)	-	(2,569)
Members' interests after loss for the year	6,727	(5,622)	1,105	8,515	9,620
Drawings	-	-	-	-	-
Amounts due to member				8,515	
Members' interests at 31 December 2015	6,727	(5,622)	1,105	8,515	9,620

52 Alderley Road LLP

STATEMENT OF CASH FLOWS  
for the year ended 31 December 2015

	<i>Notes</i>	<i>2015</i> £000	<i>2014</i> £000
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>	13a	-	-
<b>FINANCING ACTIVITIES</b>			
Deposits received		-	1,615
Deposits paid to HCA International		-	(1,533)
<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>		<u>-</u>	<u>82</u>
<b>INCREASE IN CASH AND CASH EQUIVALENTS</b>		-	82
Increase in amounts due from members		(1,879)	(3,684)
<b>MOVEMENT IN NET FUNDS</b>		<u>(1,879)</u>	<u>(3,602)</u>
<b>NET FUNDS AT 1 JANUARY</b>		(6,274)	(2,672)
<b>NET FUNDS AT 31 DECEMBER</b>	13b	<u>(8,153)</u>	<u>(6,274)</u>

## 52 Alderley Road LLP

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### NOTES TO THE FINANCIAL STATEMENTS

at 31 December 2015

#### 1. ACCOUNTING POLICIES

52 Alderley Road LLP is a limited liability partnership incorporated in England.

##### *Statement of compliance*

The LLP's financial statements have been prepared in compliance with FRS 102 as it applies to the financial statements of the LLP for the year ended 31 December 2015. The LLP transitioned from previously extant UK GAAP to FRS 102 for all periods presented. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 19.

The partnership is exempt from the obligation to prepare and deliver group accounts by virtue of section 399 (3)(b) of The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) regulations 2008. Its results are included in the consolidated accounts of HCA Holdings Inc, which is incorporated in the United States of America. Information in these financial statements is therefore presented for the individual company rather than for the group.

##### *Basis of preparation*

The financial statements of 52 Alderley Road LLP for the year ended 31 December 2015 were authorised for issue by the members on 29 September 2016.

The financial statements have been prepared and in accordance with applicable accounting standards and the Statement of Recommended Practice – Accounting by Limited Liability Partnerships, published on 15 July 2014. The financial statements are prepared in sterling which is the functional currency of the Partnership, and rounded to the nearest £'000.

##### *Basis of measurement*

The financial statements have been prepared on the historical cost basis.

##### *Going concern*

No material uncertainties that cast significant doubt about the ability of the partnership to continue as a going concern have been identified by the members. On the basis of their assessment of the partnership's financial position, the partnership's directors have a reasonable expectation that the partnership will be able to continue in operational existence for the foreseeable future. Therefore they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

##### *Significant accounting judgements, estimates and assumptions*

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities at the statement of financial position date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements:

##### *Operating lease commitments*

The partnership has entered into a commercial property lease as a lessee. The property is used for the provision of its principal activities as discussed in the Members' Report. The classification of such lease as an operating or finance lease requires the LLP to determine, based on an evaluation of the terms and conditions of the arrangement, whether it retains or acquires the significant risks and rewards of ownership of this asset and accordingly whether the lease requires an asset and liability to be recognised in the statement of financial position.

1. ACCOUNTING POLICIES (CONTINUED)

*Significant accounting judgements, estimates and assumptions (continued)*

*Operating lease commitments (continued)*

All leases are classified and accounted for as operating leases.

The following estimates are dependent upon assumptions which could change in the next financial year and have a material effect on the carrying amounts of assets and liabilities recognised at the statement of financial position date:

*Impairment*

Where there are indicators of impairment of individual assets, the LLP performs impairment tests based on fair value less costs to sell or a value in use calculation. The fair value less costs to sell calculation is based on available data from binding sales transactions in an arm's length transaction on similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from past performance and future budgets and do not include restructuring activities that the LLP is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash flows and the growth rate used for extrapolation purposes.

Where there are indicators of impairment of trade and other receivables, the LLP performs an impairment review based on the aging of the individual balances outstanding and taking into account the probability of non-payment by the debtors

*Revenue recognition*

The LLP provides a wide range of treatments and services to patients with private medical insurance. Management assesses the contractual agreements and makes estimates regarding expected discounts and rebates, which are revisited on a regular basis for reasonableness.

Revenue is reported net of the provisions made for such discounts and rebates.

*Significant accounting policies*

*Revenue*

Revenue is recognised to the extent that the LLP obtains the right to consideration in exchange for its performance. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, VAT and other sales taxes or duty. The following criteria must also be met before revenue is recognised:

*Rendering of services*

Revenue consists primarily of net healthcare service revenues that are recorded based upon established billing rates less allowances for contractual adjustments. Estimates of contractual allowances under managed healthcare plans are based upon terms specified in the related contractual agreement.

Turnover is recorded during the period the services are provided.

1. ACCOUNTING POLICIES (CONTINUED)

*Tangible fixed assets and depreciation*

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Provision for depreciation is made so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Building refurbishment	10%
Equipment, furniture and fittings	between 10% and 25%

The carrying values of tangible fixed assets are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

*Inventory*

Inventory, which consists mainly of drugs and consumable stores, are stated at the lower of cost and net realisable value. Cost includes all costs incurred in bringing each product to its present location and condition and includes invoiced cost, irrecoverable VAT and freight. Net realisable value is based on estimated selling price less costs to sell. Provision is made where necessary for obsolete, slow moving and defective inventory.

*Significant accounting policies (continued)*

*Taxation*

The taxation payable on the partnership profits is the personal liability of the members and consequently neither taxation nor related deferred taxation is accounted for in the financial statements.

*Financial Assets*

**Initial recognition and measurement**

The LLP determines the classification of its financial assets at initial recognition. All financial assets are recognised initially at fair value plus directly attributable transaction costs.

**Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest (EIR) method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance revenue in the statement of comprehensive income. The losses arising from impairment are recognised in the statement of comprehensive income in administrative expenses.

**Derecognition of financial assets**

A financial asset is derecognised when (i) the rights to receive cash flows from the asset have expired or (ii) the LLP has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass through" arrangement; and either (a) the LLP has transferred substantially all the risks and rewards of the asset, or (b) the LLP has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

**Impairment of financial assets**

The LLP assesses at each reporting date whether there is any objective evidence that a financial asset or group of financial assets is impaired. If there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have

**1. ACCOUNTING POLICIES (CONTINUED)**

**Financial assets (continued)**

**Impairment of financial assets (continued)**

been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced, with the amount of the loss recognised in administrative expenses.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed. Any subsequent reversal of an impairment loss is recognised in the statement of comprehensive income, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date.

**Financial liabilities**

**Initial recognition and measurement**

The LLP determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognised initially at fair value and in the case of loans and borrowings, plus directly attributable transaction costs.

**Interest bearing loans and borrowings**

Obligations for loans and borrowings are recognised when the LLP becomes party to the related contracts and are measured initially at the fair value of consideration received less directly attributable transaction costs. After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Gains and losses arising on the repurchase, settlement or otherwise cancellation of liabilities are recognised respectively in finance revenue and finance cost.

**Derecognition of financial liabilities**

A liability is generally derecognised when the contract that gives rise to it is settled, sold, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, such that the difference in the respective carrying amounts together with any costs or fees incurred are recognised in profit or loss.

**Cash and cash equivalents**

Cash and cash equivalents in the statement of financial position comprise cash at banks and in hand and short term deposits with an original maturity of three months or less. For the purposes of the cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

**Leases**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term. Provisions are made for onerous leases up until the date at which management believe the lease will be terminated or when economic benefit will be resumed.

**Pension costs**

The employees of the LLP are members of a group defined contribution scheme in the UK, the HCA International Limited Staff Retirement Benefits Scheme. The assets of the scheme are held separately from those of the LLP. The annual contributions payable are charged to the statement of comprehensive income.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

at 31 December 2015

**1. ACCOUNTING POLICIES (CONTINUED)***Members' participation rights*

Members' participation rights are the rights of a member against the LLP.

Members' participation rights in the earnings or assets of the LLP are analysed between those that are, from the LLP's perspective, either a financial liability or equity. A member's participation right results in a liability unless the right to any payment is discretionary on the part of the LLP.

Amounts subscribed or otherwise contributed by members are classified as equity if the LLP has an unconditional right to refuse payment to members. If the LLP does not have such an unconditional right, such amounts are classified as liabilities.

Where profits are automatically divided as they arise, so the LLP does not have any unconditional right to refuse payment, the amounts arising that are due to members are in the nature of liabilities. They are therefore treated as an expense in the statement of comprehensive income in the relevant year. To the extent that they remain unpaid at the year end, they are shown as a liability in the statement of financial position.

Conversely, where profits are divided only after a decision by the LLP or its representative, so that the LLP has an unconditional right to refuse payment, such profits are classed as an appropriation of equity rather than as an expense. They are therefore shown as a residual amount available for discretionary division among members in the Statement of comprehensive income and are equity appropriations in the Statement of financial position.

Other amounts applied to members, for example remuneration paid under an employment contract and interest on capital balances, are treated in the same way as all other divisions of profits, as described above, according to whether the LLP has, in each case, an unconditional right to refuse payment.

**2. REVENUE**

The turnover primarily consists of the provision of outpatient diagnostic treatment services within the United Kingdom. Turnover is also derived from the provision of consulting rooms.

	<i>2015</i>	<i>2014</i>
	<i>£000</i>	<i>£000</i>
Rendering of services	4,014	955
Sale of goods	513	90
	<u>4,527</u>	<u>1,045</u>

**3. OPERATING LOSS**

Operating loss is stated after charging the following:

	<i>2015</i>	<i>2014</i>
	<i>£000</i>	<i>£000</i>
Operating leases - land and buildings	251	183
Hire of plant and machinery	69	131
Depreciation	<u>1,386</u>	<u>711</u>

The auditors of the partnership are also the auditors of HCA International Limited and are remunerated in respect of their services to the partnership by HCA International Limited. The audit fee for the partnership was £11,600 (31 December 2014: £9,000). Costs associated with the conversion to FRS 102 have been borne by HCA International Limited.



## 52 Alderley Road LLP

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

at 31 December 2015

#### 4. STAFF COSTS

The average number of persons employed by the partnership during the year was 41 (2014: 44).

Employment costs of all employees comprised:

	<i>2015</i>	<i>2014</i>
	<i>£000</i>	<i>£000</i>
Wages and salaries	1,616	1,159
Social security costs	141	115
Other pension costs	17	17
	<u>1,774</u>	<u>1,291</u>

#### 5. INFORMATION IN RELATION TO MEMBERS

	<i>2015</i>	<i>2014</i>
	<i>£000</i>	<i>£000</i>
Average number of members during the period	32	32
Losses (including remuneration) attributable to the member with the largest entitlement to losses	<u>(1,838)</u>	<u>(1,970)</u>

Losses attributable to the member with the largest entitlement was calculated based upon the ownership of the LLP at the statement of financial position date.

#### 6. INTEREST PAYABLE

	<i>2015</i>	<i>2014</i>
	<i>£000</i>	<i>£000</i>
Interest payable on intercompany loan	<u>134</u>	<u>62</u>
	<u>134</u>	<u>62</u>

52 Alderley Road LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

at 31 December 2015

7. TANGIBLE FIXED ASSETS

	<i>Leasehold improvements</i> £000	<i>Equipment, furniture &amp; fittings</i> £000	<i>Construction in progress</i> £000	<i>Total</i> £000
<b>Cost:</b>				
At 1 January 2015	5,067	5,078	429	10,574
Additions	-	94	175	269
Reclassifications	84	460	(544)	-
Intercompany transfers	-	56	-	56
At 31 December 2015	<u>5,151</u>	<u>5,688</u>	<u>60</u>	<u>10,899</u>
<b>Depreciation:</b>				
At 1 January 2015	293	418	-	711
Charge for the year	513	873	-	1,386
At 31 December 2015	<u>806</u>	<u>1,291</u>	<u>-</u>	<u>2,097</u>
<b>Net book value:</b>				
At 31 December 2015	<u>4,345</u>	<u>4,397</u>	<u>60</u>	<u>8,802</u>
At 31 December 2014	<u>4,774</u>	<u>4,660</u>	<u>429</u>	<u>9,863</u>

8. INVENTORY

	2015 £000	2014 £000
Drugs and consumables	354	183
	<u>354</u>	<u>183</u>

9. TRADE AND OTHER RECEIVABLES

	2015 £000	2014 £000
Trade debtors	744	395
Other debtors	9	4
Prepayments and accrued income	325	371
	<u>1,078</u>	<u>770</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
at 31 December 2015

**10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2015 £000	2014 £000
Trade creditors	2	4
Loan owed to member	840	504
Loan interest owed to member	196	62
Amounts owed to member - trading	4,956	3,211
Other creditors	46	14
Accruals and deferred income	928	850
	<u>6,968</u>	<u>4,645</u>

Trading amounts owed to member are payable on demand. However the member has indicated that they will not seek repayment while financial support is being provided to the partnership, for at least 12 months from the date of approval of the financial statements.

Terms of the loan are disclosed within note 11.

**11. CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR**

	2015 £000	2014 £000
Loan owed to member	2,523	2,859
	<u>2,523</u>	<u>2,859</u>

The loan carries an interest rate of LIBOR+2.5% with step repayments of the principal of £84,087 per quarter. Interest on late payments is charged at LIBOR+10.0%. The loan is secured against all assets carried by the LLP. The current element of the loan is disclosed within note 10. Borrowings are repayable as follows:

	2015 £000	2014 £000
<b>Intercompany loans</b>		
Within one year	336	336
Between two and five years	1,345	1,345
After five years	1,178	1,514
	<u>2,859</u>	<u>3,195</u>
Repayable on demand	700	230
	<u>3,559</u>	<u>3,425</u>

**12. LOANS AND OTHER DEBTS DUE TO MEMBERS**

In the event of the winding up of the LLP then any surplus of assets of the LLP over its liabilities remaining at the conclusion of the winding-up after payment of all monies due to the creditors of the LLP and all expenses of the winding-up shall be payable by the liquidator to the Members in such proportions as their respective interests bear to each other before the commencement of the winding-up.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

at 31 December 2015

## 13. NOTES TO THE STATEMENT OF CASH FLOWS

## (a) Reconciliation of operating loss to net cash flow from operating activities

	2015	2014
	£000	£000
Operating loss	(2,435)	(2,689)
Add back depreciation	1,386	711
Increase in stocks	(171)	(183)
Increase in debtors	(308)	(741)
Increase / (decrease) in creditors	108	(83)
Operating activities funded by Member	1,420	2,985
Net cash flow from operating activities	<u>-</u>	<u>-</u>

## (b) Analysis of net cash

	<i>At 1</i> <i>January</i> <i>2015</i> <i>£000</i>	<i>Cash flow</i> <i>£000</i>	<i>Other</i> <i>non-cash</i> <i>changes</i> <i>£000</i>	<i>At 31</i> <i>December</i> <i>2015</i> <i>£000</i>
Cash at bank and in hand	362	-	-	362
Amounts due to members within 1 year	(3,211)	-	(1,745)	(4,956)
Loan amounts due to members within 1 year	(566)	-	(470)	(1,036)
Loan amounts due to members after 1 year	(2,859)	-	336	(2,523)
	<u>(6,274)</u>	<u>-</u>	<u>(1,879)</u>	<u>(8,153)</u>

## 14. PENSION COMMITMENTS

The partnership participates in a group defined contribution scheme in the UK, the HCA International Limited Staff Retirement Benefits Scheme. The pension cost for the period was £17,000 (2014: £17,000). There were no outstanding contributions at 31 December 2015 (2014: nil).

## 15. RELATED PARTY TRANSACTIONS

During the period, the partnership entered into transactions, in the ordinary course of business, as follows:

<i>Related party</i>	<i>Transaction during the year</i>	<i>2015</i> <i>£000</i>	<i>2014</i> <i>£000</i>
HCA International Limited	Management fee	(158)	(36)
HCA International Limited	Interest payable on loan	(134)	(62)
HCA International Limited	Conversion of trading balance to loan	-	(3,363)
HCA International Limited	Conversion of trading balance to Members Capital	-	(6,727)
HCA International Limited	Receipt of transfer of fixed assets	<u>56</u>	<u>319</u>

## 52 Alderley Road LLP

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) at 31 December 2015

#### 15. RELATED PARTY TRANSACTIONS (CONTINUED)

<i>Related party</i>	<i>Closing balance at year end</i>		
		<i>£000</i>	<i>£000</i>
HCA International Limited	Amounts due to member - trading	(4,956)	(3,211)
HCA International Limited	Interest due to member	(196)	(62)
HCA International Limited	Loan amounts due within one year to member	(840)	(504)
HCA International Limited	Loan amounts due after one year to member	(2,523)	(2,859)

#### **HCA International Limited**

HCA International Limited owns 71.6% (2014: 71.6%) of the membership interest of the partnership. Under the terms of a management agreement, HCA International Limited is paid an annual fee equal to 3.5% of turnover, for its involvement in the day to day management of the partnership. HCA International Limited operates the payroll, accounts payable and billing functions on behalf of the partnership, and is fully reimbursed for these expenses.

#### **Key Management Personnel**

All directors and certain senior employees who have authority and responsibility for planning, directing and controlling the activities of 52 Alderley Road LLP are considered to be key management personnel. The key management personnel for the LLP are also employed by HCA International Limited. The members do not believe it is practicable to apportion this amount between their services to the LLP and their services to HCA International. Therefore, they have determined that all such remuneration is allocated to HCA International Limited, for disclosure purposes only.

#### 16. OBLIGATIONS UNDER LEASES

*Operating lease agreements where the LLP is lessee.*

Future minimum rentals payable under non-cancellable operating leases are as follows:

	<i>Land &amp; Buildings</i>	
	<i>2015</i>	<i>2014</i>
	<i>£000</i>	<i>£000</i>
Not later than one year	355	168
Later than one year and not later than five years	1,402	1,400
Later than five years	2,492	2,849
	<u>4,249</u>	<u>4,417</u>

#### 17. COMMITMENTS

Capital expenditure:

	<i>2015</i>	<i>2014</i>
	<i>£000</i>	<i>£000</i>
Expenditure contracted for but not provided for	<u>179</u>	<u>344</u>

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

at 31 December 2015

**18. FINANCIAL INSTRUMENTS**

	2015	2014
	£000	£000
<i>Financial assets that are debt instruments measured at amortised cost</i>		
Trade debtors	744	395
Other debtors	9	4
	<u>753</u>	<u>399</u>
<i>Financial liabilities measured at amortised cost</i>		
Trade creditors	2	4
Loan amounts owed to member	3,559	3,425
Other amounts owed to member - trading	4,956	3,211
Other creditors	46	14
	<u>8,563</u>	<u>6,654</u>

Amounts owed to HCA International Limited are payable on demand. Interest of LIBOR +2.5% accrues on such balances aged over 1 year. Interest on late payments is charged at LIBOR+10.0%. The loan is secured against all assets carried by the LLP.

**19. TRANSITION TO FRS 102**

The entity transitioned to FRS 102 from previously extant UK GAAP as at 1 January 2014. Following rigorous analysis by management of the differences in GAAP and a review of all operations within the LLP, no variances in GAAP were identified which impact the statement of financial position or statement of comprehensive income.

Additional disclosures have been presented in accordance with the new standard and numbers for the comparatives have been presented where required.

Due to the simplistic financial operations, no transitional reliefs from UK GAAP to FRS 102 have been employed since there were no instances which would have allowed for this.

A table for the impact of the transition to FRS 102 has, therefore, not been presented.

**20. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY**

The immediate parent company is HCA International Limited, a company incorporated in the United Kingdom.

The partnership's ultimate parent undertaking and controlling party is HCA Holdings Inc., which is incorporated in the United States of America. HCA Holdings Inc. is the smallest and largest group of which the partnership is a member and for which group financial statements are prepared. Copies of the parent's consolidated accounts may be obtained from HCA, Investor Relations, One Park Plaza, I-4W, Nashville, TN 37203, USA.